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9 June 1964

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Would the Loss of South Vietnam and Laos Precipitate a "Domino Effect" in the Far East?

1. The "domino effect" appears to mean that when one nation falls to communism the impact is such as to weaken the resistance of other countries and facilitate, if not cause, their fall to communism. Most literally taken, it would imply the successive and speedy collapse of neighboring countries, as a row of dominoes falls when the first is toppled--we presume that this degree of literalness is not essential to the concept. Most specifically it means that the loss of South Vietnam and Laos would lead almost inevitably to the communization of other states in the area, and perhaps beyond the area.

2. We do not believe that the loss of South Vietnam and Laos would be followed by the rapid, successive communization of the other states of the Far East. Instead of a shock wave passing from one nation to the next, there would be a simultaneous, direct effect on all Far Eastern countries. With the possible exception of Cambodia, it is likely that no nation in the area would quickly succumb to communism as a result of the fall of Laos and South Vietnam. Furthermore, a continuation of the spread of communism in the area would not be inexorable, and any spread which did occur would take time--time in which the total situation

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might change in any of a number of ways unfavorable to the Communist cause.

3. The loss of South Vietnam and Laos to the Communists* would be profoundly damaging to the US position in the Far East, most especially because the US has committed itself persistently, emphatically, and publicly to preventing Communist takeover of the two countries. Failure here would be damaging to US prestige, and would seriously debase the credibility of US will and capability to contain the spread of communism elsewhere in the areas. Our enemies would be encouraged and there would be an increased tendency among other states to move toward a greater degree of accommodation with the Communists. However, the extent to which individual countries would move away from the US towards the Communists would be significantly affected by the substance and manner of US policy in the period following the loss of Laos and South Vietnam.

4. Southeast Asia. In the remaining piece of Indochina, Sihanouk would probably accelerate his movement toward accommodation with the Communists, in anticipation of a Communist victory he considers inevitable. Thailand would almost certainly shift toward a neutralist position, hoping thus to forestall any vigorous Communist move against

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* This memorandum assumes a clear-cut Communist victory in these countries, i.e., a withdrawal of US forces and virtual elimination of US presence in Indochina, either preceeded or soon followed by the establishment of Communist regimes in Laos and South Vietnam. The results of a fuzzier, piecemeal victory, such as one staged through a "neutralist" phase, would probably be similar, though somewhat less sharp and severe.

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the regime for as long as possible. Cooperation with the US would be reduced. Already, Thai leaders have made clear their worries about the firmness of US commitments in the area and their doubts about the wisdom of ready responsiveness to Washington's immediate policy desires. Burma would be less affected, having already virtually severed its ties with the US. Ne Win would see the ouster of the US from Indochina as confirming the wisdom of the isolationist, somewhat pro-Peiping course he has already embarked upon.

5. London, Canberra, and Kuala Lumpur have been counting ultimately upon US support for Malaysia against Indonesian aggression. They would be badly disconcerted by a US failure in Indochina, and would almost certainly seek some clear US commitment to help them defend Malaysia. Indonesia, for its part, would be emboldened in its efforts to crush Malaysia.

6. US Western Pacific Bases. US military strength in the Far East is based on the chain of islands from the Philippines to Japan, not on the Asian mainland. As long as the US can effectively operate from these bases, it will probably still be able to deter Peiping and Hanoi from overt military aggression. Furthermore, the protection of these island countries from Communist subversive efforts is a different problem from that of protecting countries on the mainland. In the Philippines, there would be some impetus to the tendency of ultra-nationalists, such as former Foreign Minister Lopez, to press for reduced cooperation with the US and a softening of the Philippines' anti-Peiping stand. They would also seek restrictions on US bases

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similar to those presently enforced in Japan. We do not think this would affect Philippine government policy, at least as long as the present administration is in power in Manila.

7. On Taiwan, Chiang Kai-shek and his followers would be greatly disheartened, but they would not be likely to seek an accommodation with the Communists. As in the case of the Philippines, the Nationalist Chinese leaders appreciate the efficacy of US sea and air power, and their nation has proved among the least vulnerable in the Far East to Communist infiltration and subversion.

8. In Japan, the loss of South Vietnam and Laos would almost certainly produce some increase of neutralist sentiment. There would be more questioning of the desirablity of remaining committed to the US side and continuing to be made a prime Communist target by the presence of US bases. The mutual defense treaty and the US bases in Japan and Okinawa would come under even greater attack than at present. At a minimum, political pressures for further restrictions on the use of these bases would be greatly intensified, and the government would probably make a few concessions to these pressures. We do not believe that there would be major changes in Japanese policy.

9. Communist Asia. Aside from the immediate joy in the DRV over achievement of its national goals, the chief effect would be upon Communist China, both is boosting its already remarkable self-confidence and in raising its prestige as a leader of World Communism. Peiping has already begun to advertise South Vietnam as proof of its thesis that the underdeveloped world is ripe for

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revolution, that the US is a paper tiger, and that local insurgency can be carried through to victory without undue risk of precipitating a major international war. The outcome in South Vietnam and Laos would conspicuously support the aggressive tactical contentions of Peiping as contrasted with the more cautious position of the USSR. To some degree this will tend to encourage and strengthen the more activist revolutionary movements in various parts of the underdeveloped world.

FOR THE BOARD OF NATIONAL ESTIMATES:

SHERMAN KENT
Chairman

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